



SENATOR

Debbie Regala

E-Newsletter - 27th District, Tacoma

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November 19, 2009

Dear Neighbors,

As our state and country continue to wrestle with this challenging economy, I wanted to share some updates on the state's fiscal situation and some reasons for hope in the future.

The strength of democracy is dependent on a well informed citizenry. These days we receive information from many sources and in many ways. Sometimes the information or statistics that are disseminated require us to be critical thinkers and to dig deeper. I've always believed that residents of the 27th District tend to be both well informed and critical thinkers. I hope my e-newsletters help to keep you informed and inspire you to learn more about the issues of the day.

As always, feel free to share your opinions.

Sincerely,

Sen. Debbie Regala
27th Legislative District

Olympia Office: 360.786.7652

Email: regala.debbie@leg.wa.gov

Web: www.senatedemocrats.wa.gov/senators/regala/

State tax revenue continues to stumble

There's just no way to put a good face on this, so I won't try. Second quarter taxable retail sales are down a record amount from last years' second quarter. Compared to the April-to-June period of 2008, statewide taxable retail sales fell 14 percent. That's the largest on record since 1974, when the state first began to track retail sales data.

The state revenue forecaster is expecting some economic improvement through the rest of the year. He says Washington should see some improvement in the third and fourth quarters, but people

shouldn't expect a big change.

The Department of Revenue expects sales to pick up in the third and fourth quarters, but — much like the economic forecast at the national level — growth is expected to be slow.

While we all wish we could magically turn our economy around, economists predicted months ago that our economic recovery at the state and national levels would be slow, and they were right.

Those same economists say we're now in the process of turning the corner, so there's consolation in that. Hang in there, be patiently optimistic and we'll all get through this — as a community, as a state and as a country.

Unemployment still lagging

Unfortunately, the last thing to recover from a recession is employment. The state unemployment rate hit 9.3 percent in September and is expected to get as high as 9.8 percent next year before finally moving back down. Across the country, it's even worse — the U.S. jobless rate is already 9.8 percent.

At this point, the recession has cost us [one out of every 20](#) Washingtonians his or her job. That's a lot of people out of work, and a lot of struggling households. And it means that even after our economy is growing again and adding jobs in the coming months, we won't be able to add jobs fast enough for all the people who are out of work. We all have friends and neighbors who are affected. Let's remember to extend a helping hand and moral support whenever we can.

Just where does our state rank on taxation?

Here's an example of information/statistics that require some critical thinking and further investigation.

Recently the Tax Foundation released a report that named our state the third worst in the country for combined state and average local sales tax rates. The way they added up the numbers, our 8.78 percent rate was topped by only Tennessee's 9.41 percent and California's 9.06 percent. Sounds pretty bad, right?

Well, actually no — not when you look at the full picture. The problem with the Tax Foundation's claims is that they don't account for state income tax. And since Washington is one of the few states in the country without a state income tax, it's unavoidable that our other taxes would be high.

So where do we really stand on total taxation?

Pretty well, it turns out. We rank a distant 32nd nationally in property taxes, and 26th in state and local taxes as a percentage of personal income, according to an analysis by the state Department of Revenue. We paid \$109.25 in state and local taxes per \$1,000 of personal income, compared to a national average of \$113.32. That puts us in the bottom half of the country when you compare income to taxation.

The analysis is based on 2007 data published by the Census Bureau and Bureau of Economic Analysis. It does not reflect the current downturn in the economy, because information for Fiscal Year 2009 is not yet available for all states.

If you'd like to read the full report, click [here](#).

Sustainable Prisons Project

Recently I had the privilege of visiting Stafford Creek Correctional Center in Aberdeen to learn about an innovative project designed to save tax dollars, make more sustainable use of natural resources, and to help offenders rebuild their lives by learning new skills. Stafford Creek has partnered with the Evergreen State College and the Nature Conservancy in various initiatives including organic gardening, germination of native plants, and recycling.

A research project by an Evergreen professor in 2004 has grown into the Sustainable Prisons Project. It began when professor Nalini Nadkarni sought the help of offenders at Cedar Creek to research whether moss, a valuable horticulture product being overharvested in our forests, could be 'farm' grown. She believed prisons would have the space and offenders would have the time to help research the question. Prison officials agreed.

A side benefit was that inmates were so excited about the project, they became interested in more scientific questions and increased their reading. One participant who has now been released has gone onto becoming a doctoral student in biochemistry — the first in his family to attend college. He estimates he read over 1000 books during the four years he was incarcerated and working on the project. Other inmates were inspired to delve into other scientific and horticultural pursuits including a bee-keeping operation and a large organic vegetable garden which produces nearly 7 tons of fresh vegetables annually. The inmates express great pride in enjoying the 'vegetables' of their labor and their home harvested honey. Through training by scientists and educators, they've learned about composting and rainwater catchment. In a partnership with the Nature Conservancy inmates have also germinated about 200,000 native plants from seed. The plants will be used to restore the threatened native prairies at Fort Lewis.

As you can imagine a 2,000 bed facility like Stafford Creek produces lots of trash. Disposing of all that trash was expensive for the prison. But now the prison saves between \$100,000 – \$150,000 per year by recycling 59% of their trash including the tons of shoes worn out by inmates each year. The shoes are sent to Nike which recycles them into athletic field turf and rubber mats for playgrounds. The money Nike makes from the effort is donated to charitable organizations. This concept of recycling for the benefit of charity has also grown via a bicycle recycling project. Inmates repair old bicycles and donate them to needy children.

All of these initiatives are providing the inmates with positive activities, pride in their accomplishments and job skills to utilize when they transition back to the community. These efforts are also saving money for the taxpayers.

That's a win-win for everyone. And the good news is these efforts are expanding. Three other correctional centers — Cedar Creek, McNeil Island, and the Women's Corrections Center in Purdy are involved in similar efforts. And other facilities in the prison system have expressed interest in Sustainable Prison Projects.

For more information on the Sustainable Prison's Project, click [here](#).

Growing economic diversity for Washington

Recently I also visited Walla Walla's wine country. This industry continues to expand and, I believe, rivals California. It was wonderful to meet so many people visiting Washington and 'contributing' to our economy. Tapping into the entrepreneurial spirit and encouraging diverse business sectors will continue to provide employment opportunities for Washingtonians and keep Washington's economic future bright.

The area around Walla Walla is also home to many of the state's wind farms. This alternative energy source as well as other technological innovations in the use of natural resources also hold great promise for the future of our state.